



August 8, 2006

**SUBJECT: CITY OF SUNNYVALE INVESTMENT REPORT 2nd
QUARTER 2006****BACKGROUND**

All local agencies are required to file reports on a quarterly basis with their legislative body on the status of their investment portfolio. The report must be submitted within 30 days following the end of the quarter covered by the report.

The report includes all investments managed by the City of Sunnyvale and provides information on the values (par, book, and market), term, and yield of each security. Summary information by type of security and detailed information on each security is provided. An evaluation of portfolio performance this accounting period compared to the previous accounting period and compared to the same accounting period of last fiscal year is also included.

Short-term cash is invested primarily in an interest bearing checking account with our primary banking institution, Union Bank. This checking account replaced the Repurchase Agreement because it provides the same liquidity and a higher yield. Additional cash is invested in the State Treasurer Local Agency Investment Fund (LAIF) to meet the liquidity needs of the City.

Securities are priced at the end of every accounting period. In some cases, the City may have investments with a current market value that is greater or less than the recorded value. These changes in market value are due to fluctuations in the marketplace having no effect on yield, as the City does not intend to sell securities prior to maturity.

The market value is lower than recorded value for this quarter due to changes in the market as mentioned in the previous paragraph.

RECOMMENDATION

That the City Council receive and file the investment report.

Prepared by:

Therese B. Balbo
Finance Manager (Treasury)

Reviewed by:

Mary J. Bradley
Director of Finance

Approved by:

Amy Chan
City Manager

Attachments

1. City of Sunnyvale's FY 2005/2006 Period 13 Investment Report



CITY OF SUNNYVALE

PORTFOLIO EVALUATION PERIOD 13 FY 2005/2006

INFORMATION UPDATE:

As required by California Government Code Section 53646, the Treasurer shall render a report to the City Council, City Manager, and Internal Auditor containing detailed information on all securities, investments, and moneys held by the City. The quarterly report shall be submitted within 30 days following the end of the quarter covered by the report.

The Finance Department has routinely provided this information on a monthly basis within 30 days following the end of each accounting period.

I hereby certify the City's portfolio complies with the City's adopted Investment Policy and the reporting requirements of State Law, and that the amount of the funds available are sufficient to meet expenditure requirements for the next 6 months, ending January 2007.

Date: July 24, 2006



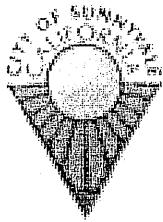
Mary J. Bradley, Director of Finance

cc: Members of the City Council
City Manager
Internal Auditor

PORTFOLIO EVALUATION - PERIOD 13 FY 2005/2006 (6/4/2006 - 6/30/2006)

DESCRIPTION	DOLLAR AMOUNT	FY 05/06 PERIOD 13 (6/4/06 - 6/30/06)	FY 05/06 PERIOD 12 (5/7/06 - 6/3/06)	FY 04/05 PERIOD 13 (6/5/05 - 6/30/05)
TOTAL PORTFOLIO MARKET VALUE		\$213,680,555.96	\$213,131,656.03	\$209,805,845.67
AVERAGE LIFE OF PORTFOLIO (DAYS)		327	315	217
CITY - WEIGHTED YIELD (Current Period)		4.46%	4.28%	3.23%
STATE POOL YIELD		4.70%	4.59%	2.97%
90 DAY T-BILL RATE (Current Period)		4.91%	4.82%	3.03%
VARIANCE FROM CITY YIELD		-0.45%	-0.54%	0.20%
1 YEAR TREASURY RATE (Current Period)		5.17%	5.00%	3.38%
VARIANCE FROM CITY YIELD		-0.71%	-0.72%	-0.15%
TREASURY YIELD WITH SAME AVG LIFE AS PORTFOLIO		5.26%	5.05%	3.39%
VARIANCE FROM CITY YIELD		-0.80%	-0.77%	-0.16%
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TOTAL INVESTMENTS MATURING WITHIN 0 TO 1 YEAR	\$121,867,260.99	57.03%	58.84%	73.11%
TOTAL INVESTMENTS MATURING WITHIN 1 TO 3 YEARS	\$91,795,988.12	42.96%	41.15%	26.86%
TOTAL INVESTMENTS MATURING WITHIN 3 TO 5 YEARS	\$16,029.18	0.01%	0.01%	0.03%
TOTAL INVESTMENTS MATURING OVER 5 YEARS **	\$1,277.67	0.00%	0.00%	0.00%
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TOTAL	\$213,680,555.96	100.0%	100.0%	100.0%

** In accordance with Government Code 53601, the City Council, as part of the City's investment program, granted express authority to invest in US Treasury and US Agency securities with final stated maturities up to seven years. No investment shall be made in any other security type that at the time of investment has a term remaining to maturity in excess of five years unless granted express authority by the City Council to do so.



CITY OF SUNNYVALE
Portfolio Management
Portfolio Summary
June 4, 2006 through June 30, 2006

City of Sunnyvale
 650 West Olive Ave.
 Sunnyvale, CA, 94086
 (408)730-7604

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Managed Pool Accounts	23,277,836.50	23,277,836.50	23,277,836.50	10.82	1	1	4.468	4.530
Medium Term Notes	15,000,000.00	14,558,394.56	14,662,784.12	6.82	715	580	5.054	5.125
Federal Agency Issues - Coupon	147,853,000.00	145,942,243.61	147,117,349.77	68.40	713	369	4.304	4.364
Treasury Securities - Coupon	22,000,000.00	21,774,062.50	21,890,153.89	10.18	1,197	304	4.386	4.447
US Govt Mortgage Passthroughs	29,566.07	30,645.28	29,345.32	0.01	5,553	1,170	9.209	9.337
Federal Agency Disc. -Amortizing	6,000,000.00	5,909,700.17	5,912,875.00	2.75	167	105	5.067	5.137
Treasury Discounts -Amortizing	2,200,000.00	2,187,673.34	2,190,537.62	1.02	509	45	3.617	3.667
Investments	216,360,402.57	213,680,555.96	215,080,882.22	100.00%	669	327	4.396	4.457

Cash, Pending Redemptions and Accrued Interest

Accrued Interest at Purchase		140,691.50	140,691.50					
Pending Redemptions	0.00	0.00	0.00					
Subtotal		140,691.50	140,691.50					
Total Cash, Pending Redemptions and Investments	216,360,402.57	213,821,247.46	215,221,573.72		669	327	4.396	4.457

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	686,900.36	7,856,177.36	7,856,177.36

MARY J. BRADLEY, TREASURER

7/26/06

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Portfolio Management
Portfolio Details - Investments
June 30, 2006

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CUSIP	Investment #	Issuer	Purchase	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Managed Pool Accounts											
SYS90-119	90-119	STATEPOOL		23,277,836.50	23,277,836.50	23,277,836.50	4.530		4.530	1	
Subtotal and Average				23,277,836.50	23,277,836.50	23,277,836.50			4.530	1	
Medium Term Notes											
369622FL4	06-057	GENERAL ELECTRIC	10/27/2005	2,000,000.00	2,005,472.11	2,025,405.52	6.500		5.480	488	11/01/2007
36962GZZ0	06-059	GENERAL ELECTRIC	11/18/2005	3,000,000.00	2,942,319.03	2,978,182.24	4.250		4.750	563	01/15/2008
36962GF41	06-064	GENERAL ELECTRIC	12/08/2005	2,300,000.00	2,268,200.23	2,276,363.76	2.800		4.778	198	01/15/2007
36962GB78	06-093	GENERAL ELECTRIC	05/19/2006	2,700,000.00	2,602,443.47	2,616,789.23	3.500		5.290	670	05/01/2008
892332AL1	06-092	TOYOTA	05/11/2006	3,000,000.00	2,843,975.83	2,859,206.25	2.875		5.290	762	08/01/2008
892332AL1	06-094	TOYOTA	05/19/2006	2,000,000.00	1,895,983.89	1,906,837.12	2.875		5.270	762	08/01/2008
Subtotal and Average				15,000,000.00	14,558,394.56	14,662,784.12			5.125	580	
Federal Agency Issues - Coupon											
31331SRF2	06-046	FEDERAL FARM CREDIT BANK	09/22/2005	3,000,000.00	2,941,875.00	2,986,639.91	3.800		4.195	433	09/07/2007
31331S4C4	06-048	FEDERAL FARM CREDIT BANK	09/23/2005	3,000,000.00	2,954,062.50	3,003,936.25	4.300		4.187	482	10/26/2007
31331S6K4	06-054	FEDERAL FARM CREDIT BANK	10/07/2005	4,000,000.00	3,922,500.00	3,982,895.89	4.100		4.382	537	12/20/2007
31331HV20	06-074	FEDERAL FARM CREDIT BANK	01/19/2006	2,000,000.00	2,030,625.00	2,047,536.62	7.250		4.625	346	06/12/2007
31331VUX2	06-089	FEDERAL FARM CREDIT BANK	04/26/2006	3,000,000.00	2,970,000.00	2,987,106.11	4.875		5.133	642	04/03/2008
31331RWC5	06-097	FEDERAL FARM CREDIT BANK	06/27/2006	1,355,000.00	1,367,039.23	1,364,768.33	5.960		5.565	716	06/16/2008
31331LCV8	06-098	FEDERAL FARM CREDIT BANK	06/27/2006	1,000,000.00	1,004,687.50	1,003,695.53	5.800		5.560	613	03/05/2008
3133MGVA1	02-164	FEDERAL HOME LOAN BANK	01/31/2002	3,000,000.00	2,999,062.50	3,001,928.30	5.250		4.657	45	08/15/2006
3133MKED5	02-183	FEDERAL HOME LOAN BANK	02/22/2002	3,000,000.00	2,993,437.50	3,001,718.47	4.875		4.701	137	11/15/2006
3133MJUR9	03-158	FEDERAL HOME LOAN BANK	01/31/2003	3,000,000.00	2,985,937.50	3,013,395.09	4.125		2.848	137	11/15/2006
3133X14N4	04-157	FEDERAL HOME LOAN BANK	02/04/2004	4,000,000.00	3,980,000.00	4,004,397.53	2.875		2.323	76	09/15/2006
3133XAY76	05-204	FEDERAL HOME LOAN BANK	04/08/2005	4,000,000.00	3,983,750.00	3,997,125.88	3.500		3.867	76	09/15/2006
3133X5M62	05-226	FEDERAL HOME LOAN BANK	05/06/2005	4,000,000.00	3,936,250.00	3,971,868.20	2.240		3.720	181	12/29/2006
3133XAYJ0	05-228	FEDERAL HOME LOAN BANK	05/06/2005	4,000,000.00	3,940,000.00	3,999,362.52	3.750		3.773	318	05/15/2007
3133XAQL4	05-252	FEDERAL HOME LOAN BANK	06/03/2005	2,000,000.00	1,993,750.00	1,999,193.03	3.370		3.630	58	08/28/2006
31339Y6Y3	06-043	FEDERAL HOME LOAN BANK	08/26/2005	3,000,000.00	2,909,062.50	2,946,516.71	2.350		4.215	366	07/02/2007
3133X8CL4	06-045	FEDERAL HOME LOAN BANK	08/29/2005	2,200,000.00	2,165,625.00	2,184,743.04	3.210		4.260	251	03/09/2007
3133XBZK4	06-050	FEDERAL HOME LOAN BANK	10/03/2005	3,000,000.00	2,946,562.50	2,980,196.94	3.625		4.327	354	06/20/2007
3133XCS95	06-055	FEDERAL HOME LOAN BANK	10/19/2005	3,000,000.00	2,955,937.50	2,990,878.55	4.250		4.511	440	09/14/2007
3133X5TF5	06-058	FEDERAL HOME LOAN BANK	11/18/2005	3,000,000.00	2,899,687.50	2,931,514.41	2.770		4.640	471	10/15/2007
3133X9X62	06-061	FEDERAL HOME LOAN BANK	12/01/2005	2,000,000.00	1,960,000.00	1,975,860.21	3.420		4.692	363	06/29/2007
3133X7Y40	06-065	FEDERAL HOME LOAN BANK	12/16/2005	3,000,000.00	2,947,500.00	2,969,265.54	3.435		4.680	313	05/10/2007
3133M07G0	06-073	FEDERAL HOME LOAN BANK	01/13/2006	1,500,000.00	1,517,343.75	1,527,722.11	7.120		4.630	283	04/10/2007
3133XEEB1	06-075	FEDERAL HOME LOAN BANK	01/20/2006	2,500,000.00	2,477,343.75	2,499,335.35	4.625		4.651	380	07/16/2007
3133MVZA4	06-076	FEDERAL HOME LOAN BANK	01/26/2006	1,930,000.00	1,866,671.88	1,891,153.25	3.375		4.690	594	02/15/2008

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CUSIP	Investment #	Issuer	Purchase	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon											
3133X9L57	06-078	FEDERAL HOME LOAN BANK	01/25/2006	2,000,000.00	1,981,875.00	1,988,140.53	3.200		4.683	151	11/29/2006
3133XCUQ4	06-079	FEDERAL HOME LOAN BANK	01/30/2006	2,000,000.00	1,964,375.00	1,989,184.24	4.375		4.710	622	03/14/2008
3133XEGG8	06-080	FEDERAL HOME LOAN BANK	01/30/2006	2,000,000.00	1,990,000.00	1,999,442.67	4.700		4.750	213	01/30/2007
3133XENC9	06-081	FEDERAL HOME LOAN BANK	02/16/2006	3,000,000.00	2,970,937.50	2,995,675.35	4.850		4.945	585	02/06/2008
3133MTQB7	06-083	FEDERAL HOME LOAN BANK	02/28/2006	1,370,000.00	1,334,037.50	1,343,773.40	3.500		4.969	502	11/15/2007
3133XDT76	06-084	FEDERAL HOME LOAN BANK	03/08/2006	3,000,000.00	2,953,125.00	2,978,622.01	4.750		5.058	895	12/12/2008
3133XFJX5	06-095	FEDERAL HOME LOAN BANK	06/16/2006	3,000,000.00	2,980,312.50	2,982,200.33	5.125		5.447	713	06/13/2008
3134A4CR3	04-173	FEDERAL HOME LOAN MORT CORP	02/26/2004	4,000,000.00	3,953,750.00	4,010,649.44	2.875		2.277	167	12/15/2006
3128X1T31	05-095	FEDERAL HOME LOAN MORT CORP	11/10/2004	3,000,000.00	2,979,375.00	2,997,931.05	2.750		3.020	97	10/06/2006
3134A1GX2	05-227	FEDERAL HOME LOAN MORT CORP	05/06/2005	2,000,000.00	2,007,500.00	2,023,089.91	6.400		3.730	165	12/13/2006
3128X3SM6	06-040	FEDERAL HOME LOAN MORT CORP	08/24/2005	3,000,000.00	2,944,653.17	2,985,800.52	3.750		4.206	398	08/03/2007
3128X4QC8	06-052	FEDERAL HOME LOAN MORT CORP	10/05/2005	3,000,000.00	2,971,311.04	2,996,498.89	4.250		4.410	278	04/05/2007
3128X2JR7	06-069	FEDERAL HOME LOAN MORT CORP	12/21/2005	1,300,000.00	1,262,453.41	1,276,579.56	3.450		4.730	545	12/28/2007
3128X2RP2	06-070	FEDERAL HOME LOAN MORT CORP	01/06/2006	2,000,000.00	1,967,148.13	1,977,722.95	2.750		4.656	223	02/09/2007
3128X2WR2	06-071	FEDERAL HOME LOAN MORT CORP	01/13/2006	2,670,000.00	2,577,158.67	2,615,760.32	3.400		4.706	604	02/25/2008
3128X3D91	06-086	FEDERAL HOME LOAN MORT CORP	03/30/2006	3,000,000.00	2,901,752.93	2,921,256.64	3.560		5.099	664	04/25/2008
3136F32Y1	05-229	FEDERAL NATL MORTGAGE ASSN	04/11/2005	2,000,000.00	1,995,625.00	1,997,886.25	2.350		3.805	27	07/28/2006
31359MXQ1	05-251	FEDERAL NATL MORTGAGE ASSN	06/01/2005	3,000,000.00	2,995,312.50	2,998,999.29	3.250		3.662	30	07/31/2006
3136F5KF7	05-253	FEDERAL NATL MORTGAGE ASSN	06/03/2005	2,000,000.00	1,983,125.00	1,992,234.27	2.125		3.661	96	10/05/2006
3136F5X63	06-051	FEDERAL NATL MORTGAGE ASSN	10/05/2005	4,025,000.00	3,983,492.19	4,006,579.68	3.550		4.443	195	01/12/2007
3136F5BQ3	06-053	FEDERAL NATL MORTGAGE ASSN	10/06/2005	2,138,000.00	2,098,580.63	2,115,901.24	2.875		4.394	257	03/15/2007
3136F6D71	06-062	FEDERAL NATL MORTGAGE ASSN	12/06/2005	1,690,000.00	1,673,628.13	1,682,138.48	4.000		4.750	236	02/22/2007
3136F5PS4	06-063	FEDERAL NATL MORTGAGE ASSN	12/07/2005	2,500,000.00	2,443,750.00	2,459,726.53	2.550		4.694	286	04/13/2007
31359MQP1	06-066	FEDERAL NATL MORTGAGE ASSN	12/16/2005	3,000,000.00	2,910,937.50	2,947,853.86	3.500		4.670	576	01/28/2008
3136F6QC6	06-067	FEDERAL NATL MORTGAGE ASSN	12/16/2005	1,815,000.00	1,788,909.38	1,799,793.86	3.420		4.660	257	03/15/2007
3136F7QG5	06-068	FEDERAL NATL MORTGAGE ASSN	12/21/2005	2,000,000.00	1,981,875.00	1,999,631.94	4.890		4.903	538	12/21/2007
3136F3CT1	06-072	FEDERAL NATL MORTGAGE ASSN	01/13/2006	602,000.00	580,365.63	587,795.81	3.250		4.715	625	03/17/2008
3136F53Y5	06-077	FEDERAL NATL MORTGAGE ASSN	01/26/2006	982,000.00	955,608.75	967,224.01	3.700		4.700	584	02/05/2008
31359MZK2	06-082	FEDERAL NATL MORTGAGE ASSN	02/28/2006	2,000,000.00	1,983,125.00	1,995,332.38	4.900		5.071	515	11/28/2007
3136F6VM8	06-085	FEDERAL NATL MORTGAGE ASSN	03/23/2006	2,000,000.00	1,975,625.00	1,986,164.05	4.375		5.030	402	08/07/2007
31359MYA5	06-087	FEDERAL NATL MORTGAGE ASSN	04/07/2006	2,276,000.00	2,224,790.00	2,241,704.51	4.200		5.125	632	03/24/2008
3136F5C90	06-099	FEDERAL NATL MORTGAGE ASSN	06/30/2006	3,000,000.00	2,985,000.00	2,980,198.66	5.200		5.565	702	06/02/2008
880591DB5	06-090	TENNESSEE VALLEY AUTHORITY	05/04/2006	3,000,000.00	2,994,017.94	3,013,103.37	5.375		5.175	866	11/13/2008
Subtotal and Average				147,853,000.00	145,942,243.61	147,117,349.77			4.364	369	
Treasury Securities - Coupon											
912827Y55	02-177	UNITED STATE TREASURY	02/14/2002	4,000,000.00	4,001,250.00	4,003,734.49	7.000		4.301	14	07/15/2006
912827Z62	02-180	UNITED STATE TREASURY	02/19/2002	4,000,000.00	4,012,500.00	4,023,688.57	6.500		4.229	106	10/15/2006

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Treasury Securities - Coupon											
9128272J0	02-201	UNITED STATE TREASURY	03/18/2002	3,000,000.00	3,016,875.00	3,023,202.99	6.250		4.848	229	02/15/2007
912828AN0	06-047	UNITED STATE TREASURY	09/23/2005	3,000,000.00	2,912,812.50	2,963,786.52	3.000		3.923	502	11/15/2007
912828AH3	06-056	UNITED STATE TREASURY	10/26/2005	3,000,000.00	2,935,312.50	2,966,995.16	3.250		4.275	410	08/15/2007
912828EB2	06-060	UNITED STATE TREASURY	12/01/2005	2,000,000.00	1,971,250.00	1,989,018.74	3.875		4.403	395	07/31/2007
912828DT4	06-096	UNITED STATE TREASURY	06/26/2006	3,000,000.00	2,924,062.50	2,919,727.42	3.750		5.268	684	05/15/2008
Subtotal and Average				22,000,000.00	21,774,062.50	21,890,153.89			4.447	304	
US Govt Mortgage Passthroughs											
313401KA8	86-081	FEDERAL HOME LOAN MORT CORP	07/01/1994	851.77	933.18	918.31	13.500		12.154	1,553	10/01/2010
313401TJ0	87-009	FEDERAL HOME LOAN MORT CORP	07/01/1994	1,180.62	1,277.67	1,209.40	10.000		9.680	3,531	03/01/2016
31340RGH1	88-137	FEDERAL HOME LOAN MORT CORP	07/01/1994	11,234.31	11,603.81	11,121.97	9.000		9.215	1,005	04/01/2009
362064Y76	86-075	GOVT NATL MORTGAGE ASSN	07/01/1994	0.00	0.00	0.00	9.500		9.474	0	08/15/2009
362055UF0	88-135	GOVT NATL MORTGAGE ASSN	07/01/1994	1,692.69	1,734.62	1,671.54	9.000		9.241	868	11/15/2008
362063F46	88-136	GOVT NATL MORTGAGE ASSN	07/01/1994	14,606.68	15,096.00	14,424.10	9.000		9.234	1,110	07/15/2009
Subtotal and Average				29,566.07	30,645.28	29,345.32			9.337	1,170	
Federal Agency Disc. -Amortizing											
313397H46	06-088	FEDERAL HOME LOAN MORT CORP	04/25/2006	3,000,000.00	2,962,500.00	2,963,920.00	4.920		5.096	88	09/27/2006
313589M75	06-091	FEDERAL NATL MORTGAGE ASSN	05/05/2006	3,000,000.00	2,947,200.17	2,948,955.00	4.980		5.178	123	11/01/2006
Subtotal and Average				6,000,000.00	5,909,700.17	5,912,875.00			5.137	105	
Treasury Discounts -Amortizing											
912833CQ1	05-205	UNITED STATE TREASURY	03/24/2005	2,200,000.00	2,187,673.34	2,190,537.62	3.441		3.667	45	08/15/2006
Subtotal and Average				2,200,000.00	2,187,673.34	2,190,537.62			3.667	45	
Total and Average				216,360,402.57	213,680,555.96	215,080,882.22			4.457	327	

Portfolio CITY

AP

PM (PRF_PM2) SymRept V6.21

CITY OF SUNNYVALE
Portfolio Management
Portfolio Details - Cash
June 30, 2006

Page 5

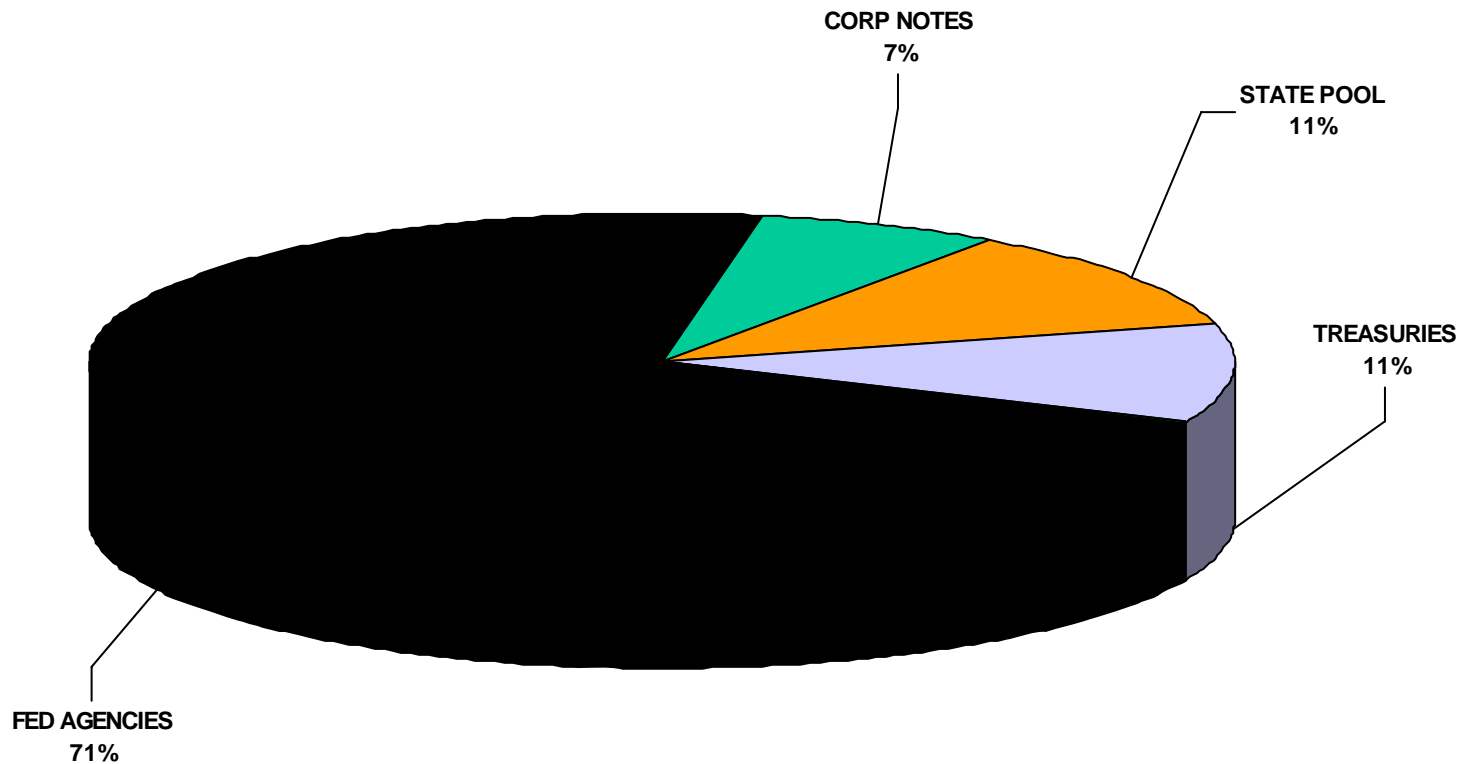
CUSIP	Investment #	Issuer	Purchase	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
Subtotal and Average			Accrued Interest at Purchase		140,691.50	140,691.50				0
			Subtotal		140,691.50	140,691.50				
Total Cash and Investmentss				216,360,402.57	213,821,247.46	215,221,573.72			4.457	327

Portfolio CITY
AP

PM (PRF_PM2) SymRept V6.21

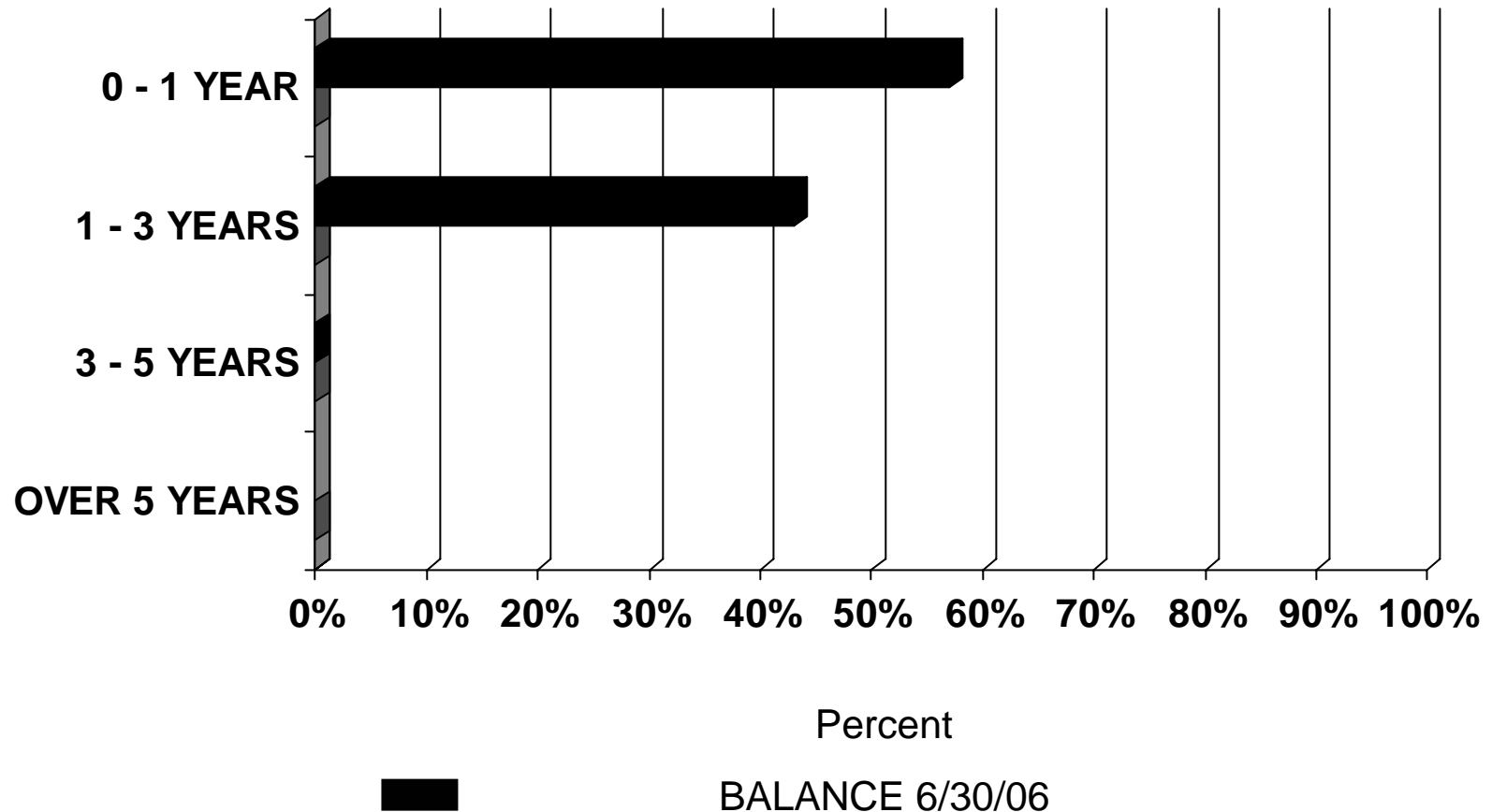
INVESTMENT PORTFOLIO PERIOD 13 FY2005/2006

BREAKDOWN BY CLASSIFICATION



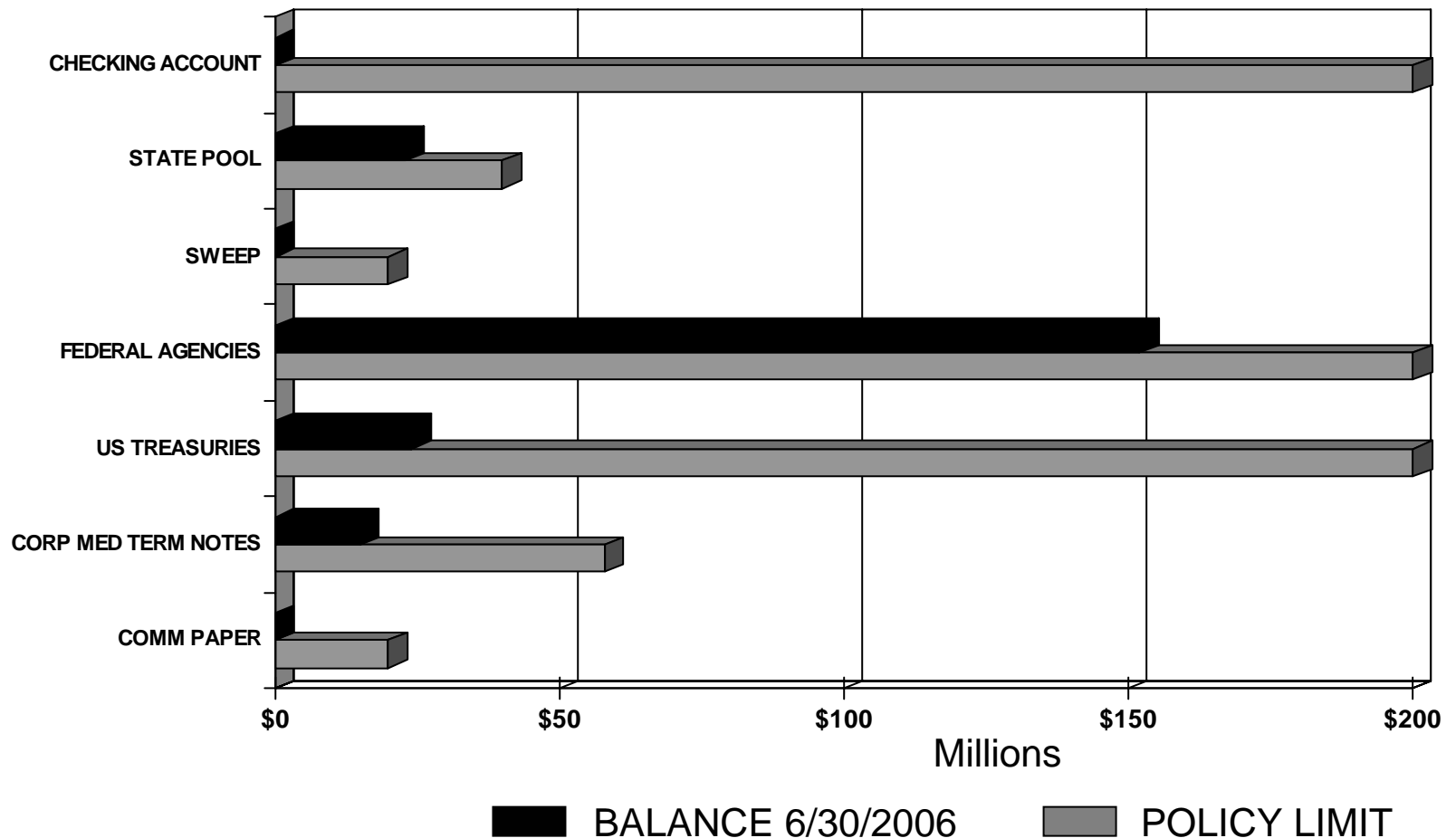
CURRENT HOLDINGS

PERCENT OF TOTAL PORTFOLIO



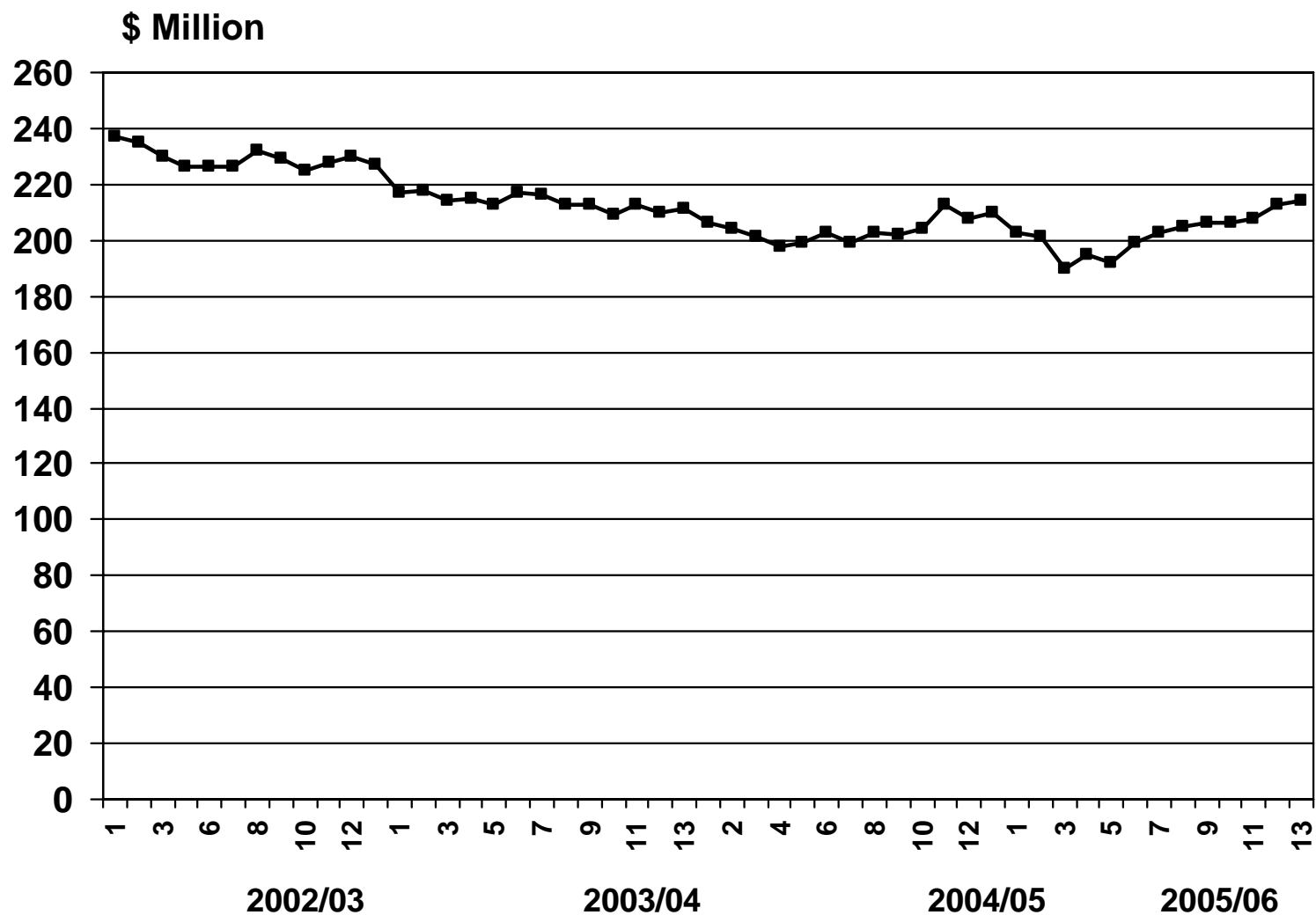
CURRENT HOLDINGS VS POLICY LIMITS

TOTAL INVESTMENT DOLLARS



INVESTMENT PORTFOLIO

PORTFOLIO TREND



INVESTMENT PORTFOLIO COMPARISON OF ANNUAL YIELDS

